EXHIBIT B ZERYKIER DECLARATION

18-23538-shl Doc 1957-2 Filed 01/25/19 Entered 01/25/19 18:13:09 Exhibit B - Zerykier Declaration Pg 2 of 70

SOUTHERN DISTRICT OF NEW YORK		
In re:	x : :	Chapter 11
SEARS HOLDINGS CORPORATION, et al.,	:	Case No. 18-23538 (RDD) (Jointly Administered)
Debtors.	: X	(· · · · , · · · · · · · · · · · · · · · · · · ·

DECLARATION OF AARON E. ZERYKIER IN SUPPORT OF OBJECTION OF MIDWOOD MANAGEMENT CORP. TO DEBTORS' NOTICE OF CURE COSTS AND POTENTIAL ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN CONNECTION WITH GLOBAL SALE TRANSACTION

AARON E. ZERYKIER, pursuant to 28 U.S.C. § 1746, declares the following under penalty of perjury:

- 1. I am a partner with the law firm Farrell Fritz, P.C. ("Farrell Fritz"), attorneys for Midwood Management Corp. ("Landlord"). Consequently, I am fully familiar with the facts and circumstances stated herein.
- 2. I respectfully submit this Declaration in Support of Landlord's *Objection to Debtors' Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Global Sale Transaction*.
- 3. On September 12, 2018, Farrell Fritz mailed to Kmart a "Notice of Default and Thirty (30) Day Notice to Cure," a copy of which is annexed hereto as Exhibit "A".
- 4. On September 12, 2018, Farrell Fritz mailed to Kmart a "Notice of Default and Fifteen (15) Day Notice to Cure," a copy of which is is annexed hereto as Exhibit "B".

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5. On October 11, 2018, Farrell Fritz mailed to Kmart a "Ten (10) Day Notice of Lease Termination," a copy of which is annexed hereto as Exhibit "C".

Dated: January 25, 2019

AARON E. ZERYKIER

EXHIBIT A

NOTICE OF DEFAULT AND THIRTY (30) DAY NOTICE TO CURE

September 6, 2018

By Certified Mail Return Receipt Requested

To:

KMART CORPORATION

333 Beverly Road

Hoffman Estate, Illinois 60179

Attn: Divisional Vice President – Real Estate Department 824E

KMART CORPORATION 3100 West Big Beaver Road Troy, Michigan 48084

Premises:

2280 North Ocean Avenue

Expressway Plaza

Farmingville, New York 11738

Tenant of the above-referenced premises:

PLEASE TAKE NOTICE that you are in default under the lease (the "Lease"), executed on or about December 20, 1991 between Kmart Corporation as Tenant ("Tenant") and Farmingville Associates as Landlord, and as assigned to Expressway Plaza I LLC and Farmingville Associates Phase 1, LLC by assignment dated October 20, 2016, ("Landlord"), as amended and extended, by virtue of the following:

Article 15 of the Lease, requires Tenant to "keep the entire Demised Premises in good and tenantable condition and repair, including any necessary maintenance repairs and replacements to roof, structural and non-structural, interior and exterior portions of the Demised Premises, and plumbing, electrical and other systems located in and servicing the Demised Premises."

In addition, pursuant to Article 30 of the Lease, Tenant assumed the obligation to maintain certain portions of the Common Area (as defined in the Lease).

Notwithstanding such obligations, as outlined in the Property Condition Report annexed hereto as Exhibit A, Tenant has failed to properly maintain the Demised Premises (as defined in the Lease) and the portions of the Common Area for which Tenant assumed maintenance obligations.

PLEASE TAKE FURTHER NOTICE that, pursuant to Article 25 of the Lease, unless you cure the defaults noticed within the Notice on or before the expiration of thirty (30) days from service of this Notice upon you the Landlord will serve you with a notice of election to end the term of the Lease at the expiration of ten (10) days from the date of service of such Notice upon you and upon expiration of such Notice the Landlord will

commence summary proceedings to evict you from the premises and obtain a money judgment against you for the value of the premises' rent and fair use and occupancy during any holdover in addition to any additional rent, charges and late fees that may accrue prior to the date of judgment with interest together with the legal fees and costs associated with the prosecution of the action.

Expressway Plaza I LLC and Farmingville Associates Phase 1, LLC, as tenants-in-common,

By: Midwood Management Corp., as agent John Usdan, Chief Executive Officer

Exhibit A

Professional Engineering Report of Findings

Project Information:



K-Mart 2280 N Ocean Ave Farmingville, NY 11738

kmart.

Project Description:

Property Condition Survey

Prepared for:

Midwood Management Corp.

Peter Pollani 430 Park Avenue 2nd Floor New York, NY 10022

TEPC Project Number:

TJ18198

Prepared on: 05.17.2018

08.29.2018 (revised)

Transmitted Via:

Via E-Mail

Document Data:

CHC/ I:\Projects\2018\TJ18198 - K-Mart, 2280 N Ocean Ave, Farmingville, NY 11738\Docs\Reports\RPT(Property Condition Report)-TJ18198-Rev1-180829.doc Enclosure

Charles H. Clackett

Vice-President / Branch Manager

New Jersey Office: **A** 1331 Stuyvesant Ave Union NJ 07083 **T** 908 624 0044

TITAN

A PROFESSIONAL CORPORATION

New York Office: A 47 Serene PL Hauppauge NY 11788 T 631 885 8059



Midwood Management Corp. K-Mart 2280 N Ocean Ave, Farmingville, NY 11738 TEPC Project No.: TJ18198 05.17.2018 Privileged and Confidential

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A 1331 STUYVESANT AVE UNION NJ 07083 T 908 624 0044 New York Office:
A 47 Serene PL Hauppauge NY 11788
T 631 885 8059



Midwood Management Corp. K-Mart 2280 N Ocean Ave, Farmingville, NY 11738 TEPC Project No.: TJ18198 05.17.2018 Privileged and Confidential

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1: Introduction

Titan Engineers PC (hereafter referred to as "Titan") was retained by Peter Pollani of Midwood Management Corp. (hereafter referred to as the "Client") to perform a Structural Condition Survey of the existing K-Mart occupied building at the subject property and the associated asphalt paved drive aisles, parking areas and associated appurtenances. The Structural Condition Survey was conducted by the Engineering Personnel listed below. The property observations included an interior walk-through of the subject areas including the mezzanine and exterior observations from ground level and the roof. Titan was accompanied by the store manager and client.

Client:

Midwood Management Corp.

Peter Pollani 430 Park Avenue

2nd Floor

New York, NY 10022

Project Location:

K-Mart

2280 N Ocean Ave Farmingville, NY 11738

(Hereafter referred to as "property" or "building")

Date of Observation:

04.13.2018

Engineering Personnel:

Charles H. Clackett - TITAN ENGINEERS PC Onsite/Author Nicholas C. Wong, PE - TITAN ENGINEERS PC (report review)

2: Purpose and Scope

The objective of the walk-through survey was to visually observe the subject building and immediately surrounding parking areas so as to obtain information on material systems and components for the purposes of providing a brief description and identify physical deficiencies to the extent that they are observable. Observations were limited to the immediate areas of the property that were readily accessible. During the site visit, field personnel observed the general physical condition of the subject areas, observed material systems and components identifying material physical deficiencies, and any unusual features or inadequacies observed or reported. This written narrative report presents our findings with comments and recommendations including photographic records of relevant areas.

2.1: Reference Terms

References to general conditions are defined as follows:

Good	Generally serviceable condition.
Fair	Requires general repairs.
Poor	Requires significant overall repairs or replacement.

References to general concerns are defined as follows:

	a family and defined to Idiland.
Minor	Minimal repairs required to prevent further deterioration.
Moderate	Repair required. Neglected repair may cause a significant concern.
Significant	Repair or replacement required as soon as possible.

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T 908 624 0044

New York Office: A 47 Serene Pl. Hauppauge NY 11788 T 631 885 8059



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3: System Descriptions and Observations

3.1: General Description

Figure 1 below provides a schematic of the existing shopping center layout specifically focusing on the K-Mart and associated parking/drive aisle areas only to aid in the narrative and photographic findings presented in this report.

In general, the existing building contains approximately 108,626± SF of roofed area with an internal partial mezzanine for storage. The parking and drive aisle areas associated with the K-Mart lease portion of the property totals 208,000± SF with 64,000± SF of landscaping or grass areas. The curbing associated with the parking in this area totals 6,927 LF. Reportedly, the building was constructed in 1993 for the current use as an expansion to an existing shopping plaza.

Just to the south a new LA Fitness (partially depicted in photo) was recently constructed in 2017 and some associated areas of paving between this new structure and the existing K-Mart were paved with new asphalt in accordance with the Town of Brookhaven requirements. This area contains an additional 48,000± SF of shared parking and drive aisles that have recently been repaved as part of the new development at the property.

The building is constructed of split faced concrete masonry units (CMU) on the easterly façade with the remainder painted CMU block. Steel columns, girders and joist support the corrugated steel deck which is finished with a white TPO roofing membrane (reportedly replaced in 2011) with rooftop mounted HVAC equipment.

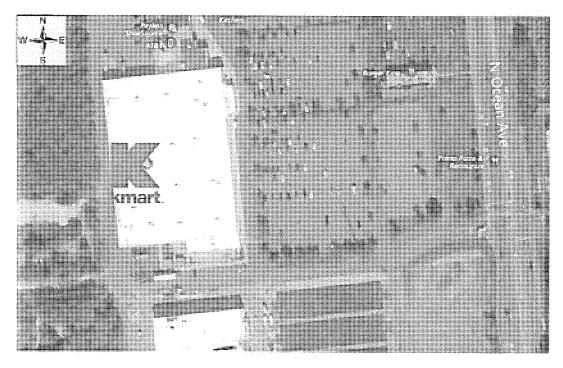


Figure 1: Aerial Exhibit



Midwood Management Corp. K-Mart 2280 N Ocean Ave, Farmingville, NY 11738 TEPC Project No.: TJ18198 08.29.2018 revised Privileged and Confidential Page 3 of 26

3.2: Reserve Summary

The following Immediate & Short Term Reserve Table is an opinion of Probable Cost of the observed deficiencies at the subject property with regard to property ownership and not items strictly associated with tenant costs such as interior finishes. The Immediate Term reserve items are those that are of a Life/Safety nature or if deferred, further deterioration is likely. The Short Term reserve items are either already showing signs of deterioration/damage or are near the end of their estimated useful life without significant maintenance expenditures.

Although meant to be fairly comprehensive in nature, it cannot be construed as actual costs to conduct repairs or replacement as exact scopes of work have yet to be developed for any of the recommended repairs.

A Long Term Reserve Table was not included in the scope of this project at the client's request.

Figure 2: Immediate & Short Term Reserves Table

Project Number:			***************************************	**************************************	Date: 05/17/18			
TJ18198		Project:	K-Mart					
		Address:	2280 N Ocean	Ave, Formingville, NY	11738			
				-				
INI	IMMEDIATE & SHORT TERM RESERVES TABLE							
ITEN	QUANTITY	UNIT	UNIT COST	IMMEDIATE COST	SHORT TERM COST (3-6 months)			
Repairs of cracking & deterioration in CMU façade	150	Linear Feet	\$18.00		\$2,700			
Painting (Exterior) CMU Fuçade	16098	Square Feet	\$2.50		\$40,245			
Painting (Interior) CMU front wall portion	2400	Square Feet	\$2.50		\$6,000			
Misc. Repairs	3	Lump Sum	\$5,000.00		\$15,000			
Roof leak repairs and replacement of water stained acoustic panels	I	Lump Sum	\$2,500.00	\$2,500				
Structural evaluation of Fire Water Piping	Į.	Lump Sum	\$2,400.00	\$2,400				
Bollard Repairs (Allowance)	6	Lump Sum	\$300.00		\$1,800			
Exterior Door Repairs (Allowance)	1	Lump Sum	\$3,900,00		\$3,600			
Storm Drain Stucture Repairs (Allowance)	3	Lump Sum	\$5,000.00		\$15,000			
Curbing Replacement	6927	Linear Fort	\$35.00		\$242,445			
Asphalt Milling & Repave	208,000	Square Feet	\$3.00		\$624,000			
Seal Coat & Striping	208,090	Square Feet	\$0.20		\$41,600			
Concrete Pad (Trash compactor and Trailer)	500	Square Feet	00.882		\$51,000			
Rooftop HVAC units (3 Ton AAON unit from 1993)	1	Each	\$12,000.00		\$12,000			
Rooftep HVAC units (7 Ten AAON unit from 1993)	ı	Each	\$21,000.00		\$21,000			
Rooftop HVAC units (15 Ton AAON unit from 1993)	14	Each	\$26,000.00		\$364,000			
Traffic/Parking Signage Repairs (Allowance)	6	Each	\$175.00	\$1,050				
TOTAL COST	\$5,950	51,439,790						

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4: Conclusions and Recommendations



Condition Level:
General View
Structural Concern Level:
NA
Comments and Recommendations:

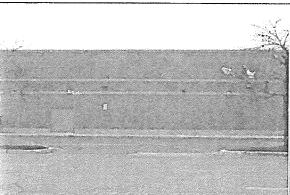
Photo 1 - General View of Main Entrance & Parking Area



Condition Level: General View Structural Concern Level:

NA
Comments and Recommendations:

Photo 2 - General View of East Façade Near Entrance



Condition Level: General View Structural Concern Level:

Comments and Recommendations:

Photo 3 - General View of East Facade



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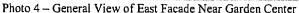
Condition Level:

General View

Structural Concern Level:

NA

Comments and Recommendations:





Condition Level:

General View

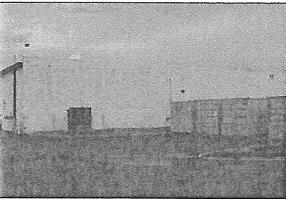
Structural Concern Level:

NA

Comments and Recommendations:

Note new pavement at southerly drive aisle.





Condition Level:

General View

Structural Concern Level:

NA

Comments and Recommendations:

Note painted CMU façade rather than split face CMU. The exterior CMU on the building requires regular maintenance, repair and repainting.

Photo 6 - General View of Southerly Facade



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Condition Level:

General View

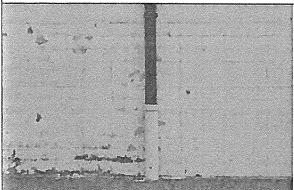
Structural Concern Level:

NA

Comments and Recommendations:

Note painted CMU façade and rear gutters and leaders (or downspouts) for roof drainage.

Photo 7 - General View of Westerly Façade at Rear of Building



Condition Level:

Fair

Structural Concern Level:

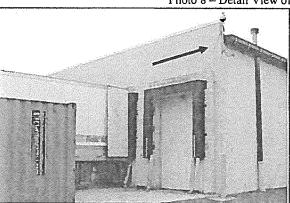
Minor

Comments and Recommendations:

Gutters and leaders should be kept in good condition to prevent further damage to CMU at base of building along rear façade.

The exterior CMU on the building requires regular maintenance, repair and repainting.

Photo 8 - Detail View of Leader Into Downspout



Condition Level:

Fair

Structural Concern Level:

Міпог

Comments and Recommendations:

Note cracked CMU at top right above loading dock door at northwest corner of the K-Mart portion of the structure.

Any cracked CMU should be repaired with a structural grade epoxy and painted as part of routine maintenance.

Photo 9 - View of Cracked CMU Above Loading Dock Doorway



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Condition Level:

Fair

Structural Concern Level:

Minor

Comments and Recommendations:

Note cracked CMU at top right above loading dock door.

Any cracked CMU should be repaired with a structural grade epoxy and painted as part of routine maintenance to prevent further deterioration due to water infiltration and the freeze thaw cycle.

Photo 10 - Detail View of Cracked CMU Above Loading Dock Doorway



General View

Structural Concern Level:

NA

Comments and Recommendations:

Note trash compactor between trailers.

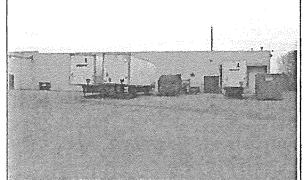


Photo 11 - General View of Loading Dock Area

Condition Level:

Fair

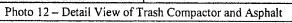
Structural Concern Level:

Minor

Comments and Recommendations:

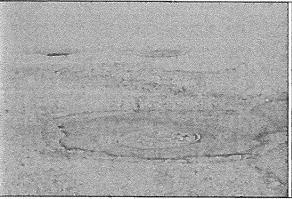
Note deteriorated asphalt. Trash compactors should be located on properly designed reinforced concrete slabs.

It is recommended that when this area of the property is renovated that a reinforced concrete slab be designed and installed for the compactor and additional trailer areas.





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Condition Level:

Fair

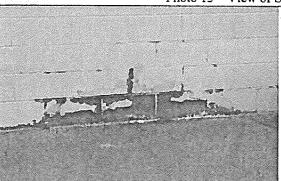
Structural Concern Level:

Moderate

Comments and Recommendations:

Note patched asphalt and settled manhole cover due to truck traffic. Leaching pools and or storm structures have sunk within parking areas. It is recommended that when this area of the property is renovated that chimneys on the structure be brought to proper grade and asphalt repaired. In extreme cases, new leaching pools may be required with proper footings to prevent further settlement.

Photo 13 - View of Settled Manhole Cover



Condition Level:

Fair

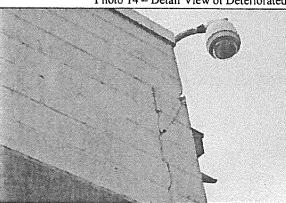
Structural Concern Level:

Minor

Comments and Recommendations:

Note deteriorated CMU at base of rear wall which require replacement due to water damage deterioration.

Photo 14 - Detail View of Deteriorated CMU at Base of Building (Rear Facade)



Condition Level:

Fair

Structural Concern Level:

Minor

Comments and Recommendations:

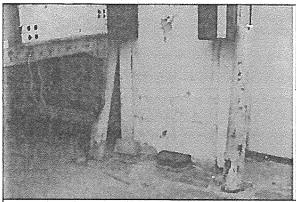
Note cracked CMU at top right above loading dock door.

Any cracked CMU should be repaired with a structural grade epoxy and painted as part of routine maintenance to prevent further deterioration due to water infiltration and the freeze thaw cycle.

Photo 15 - Detail View of Cracked CMU Above Loading Dock Doorway (2)



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Condition Level:

Poor

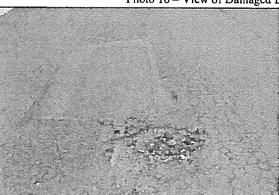
Structural Concern Level:

Minor

Comments and Recommendations:

Note damaged bollards at truck unloading area. Bollards should be designed & located properly to protect doorways from trailer impacts.

Photo 16 - View of Damaged Bollards at Truck Unloading Area



Condition Level:

Fair to Poor

Structural Concern Level:

Moderate

Comments and Recommendations:

Various portions of the drive aisles and parking areas exhibit signs of severe alligatoring of existing asphalt pavement and deterioration in some areas to the subgrade as depicted in this photo.

Milling of existing asphalt and new asphalt overlay is recommended. Sealcoating & striping of new asphalt is also recommended.

Photo 17 - Detail View of Deteriorated Asphalt in Drive Aisle



Condition Level:

Fair to Poor

Structural Concern Level:

Minor

Comments and Recommendations:

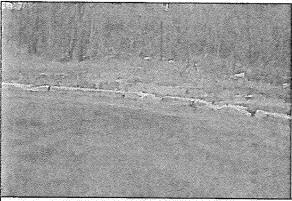
Note damaged bollards at corner of building. Bollards should be designed & located properly to protect building from truck traffic.

Not RPZ overflow drain through CMU wall.

Photo 18 - View of Damaged Bollards at Southwest Corner of Building



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Condition Level:

Poor

Structural Concern Level:

Minor

Comments and Recommendations:

Note damaged concrete along westerly drive aisle at rear of building.

Photo 19 - View of Damaged Concrete Curbing Along Westerly Drive Aisle



Condition Level:

Poor

Structural Concern Level:

Minor

Comments and Recommendations:

Many areas of curbing have been damaged throughout this area of the property and require replacement.

Photo 20 - Detail View of Damaged Concrete Curbing Along Westerly Drive Aisle



Condition Level:

Good

Structural Concern Level:

None

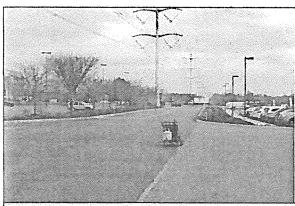
Comments and Recommendations:

Striping & Sealcoating should be completed as part of regular maintenance to extend life of newly installed pavement.

Photo 21 - View of New Asphalt Pavement on South Side of K-Mart between LA Fitness Site



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Condition Level:

Good

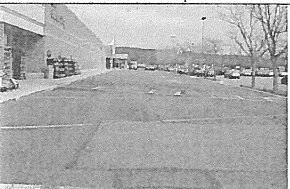
Structural Concern Level:

None

Comments and Recommendations:

Striping & Sealcoating should be completed as part of regular maintenance to extend life of newly installed pavement.

Photo 22 - View of New Asphalt Pavement of Main Drive Aisle of K-Mart between LA Fitness Site



Condition Level:

Fair

Structural Concern Level:

Moderate

Comments and Recommendations:

Various areas of drive aisle and parking areas require improvement. Some areas in worse condition than other areas. It appears the main drive aisle in front of the store has been maintained/repaired more than other areas.

Milling of existing asphalt and new asphalt overlay is recommended. Sealcoating & striping of new asphalt is also recommended.

Photo 23 - View North of Drive Aisle in Front of K-Mart



Condition Level:

Poor

Structural Concern Level:

Minor

Comments and Recommendations:

Many areas of curbing have been damaged throughout the landscaped islands at the property and require replacement.

Photo 24 - Typical View of Damaged Concrete Curbing on Landscaped Island



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Condition Level:

Poor

Structural Concern Level:

Minor

Comments and Recommendations:

Many areas of curbing have been damaged throughout the landscaped islands at the property and require replacement.

Photo 25 - Detail View of Damaged Concrete Curbing on Landscaped Island



Condition Level:

Fair to Poor

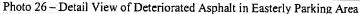
Structural Concern Level:

Moderate

Comments and Recommendations:

Various portions of the drive aisles and parking areas exhibit signs of severe alligatoring of existing asphalt pavement and deterioration in some areas to the subgrade as depicted in this photo.

Milling of existing asphalt and new asphalt overlay is recommended.





Condition Level:

Poor

Structural Concern Level:

Minor

Comments and Recommendations:

Many areas of curbing have been damaged along the drive aisles at the property and require replacement.

Photo 27 - Typical View of Damaged Concrete Curbing Along Drive Aisle



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Condition Level:

Fair

Structural Concern Level:

Minor

Comments and Recommendations:

The far easterly portion of the parking area appears to get less usage and is generally in better condition although maintenance is recommended with sealcoating and striping if not milled and overlaid.

Photo 28 - View North of Easterly Parking Area (Furthest from K-Mart Building)



Condition Level:

General View

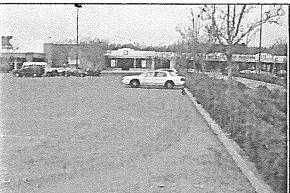
Structural Concern Level:

NA

Comments and Recommendations:

None.

Photo 29 - General View of Main Signage for Expressway Plaza



Condition Level:

Fair

Structural Concern Level:

Minor

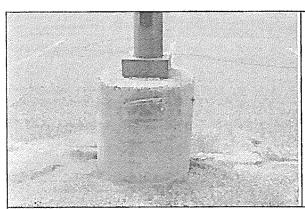
Comments and Recommendations:

The far easterly portion of the parking area appears to get less usage and is generally in better condition although maintenance is recommended with sealcoating and striping

Photo 30 - View West of Easterly Parking Area (Toward K-Mart Building)



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Condition Level:

Good to Fair

Structural Concern Level:

Minor

Comments and Recommendations:

The light pole base foundation mounting hardware should receive regular maintenance for the anchor rods and associated hardware.

Photo 31 - View of Typical Lot Light Pole Foundation



Condition Level:

Poor

Structural Concern Level:

Minor

Comments and Recommendations:

This landscaped island contains damaged curbing, a damaged stop sign and damaged storm drain curb inlet have been damaged along the drive aisles.

Photo 32 - View of Damaged Curbing, Stop Sign and Curb Inlet



Condition Level:

Poor

Structural Concern Level:

Minor

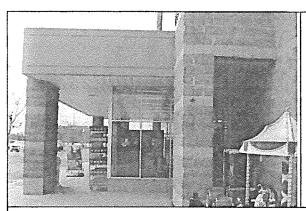
Comments and Recommendations:

This cast iron curb inlet requires repair and replacement.

Photo 33 - Detail View of Damaged Curb Inlet



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Condition Level:

General View

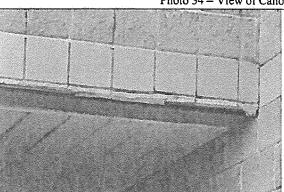
Structural Concern Level:

NA

Comments and Recommendations:

Regular maintenance required at façade. Cracks in split face CMU should be repaired using structural grade injection epoxy adhesive.

Photo 34 - View of Canopy Area at Main Entrance



Condition Level:

Fair

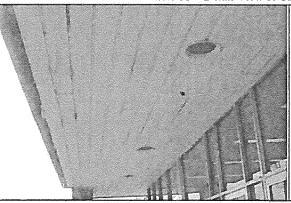
Structural Concern Level:

Minor

Comments and Recommendations:

Regular maintenance required at façade. Cracks in split face CMU should be repaired using structural grade injection epoxy adhesive.

Photo 35 - Detail View of Canopy Area at Main Entrance



Condition Level:

Fair

Structural Concern Level:

Minor

Comments and Recommendations:

Regular maintenance required at façade canopy.

Photo 36 - View of Canopy Soffit Area



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Condition Level:

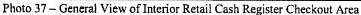
General View

Structural Concern Level:

NA

Comments and Recommendations:

None.





Condition Level:

Fair

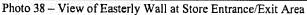
Structural Concern Level:

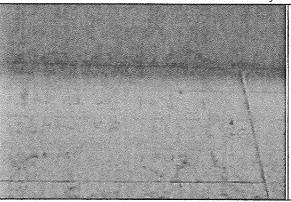
Minor

Comments and Recommendations:

Paint peeling most likely due to prior roof leaks that have reportedly since been repaired with TPO roofing replacement in 2011.

CMU wall requires scraping, priming and painting.





Condition Level:

Fair

Structural Concern Level:

Minor

Comments and Recommendations:

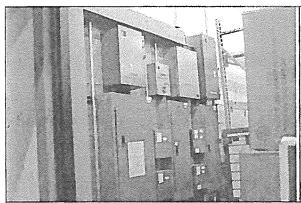
Paint peeling most likely due to prior roof leaks that have reportedly since been repaired with TPO roofing replacement in 2011.

CMU wall along front interior of building requires scraping, priming and painting.

Photo 39 - Detail View of Easterly Wall at Store Entrance/Exit Area



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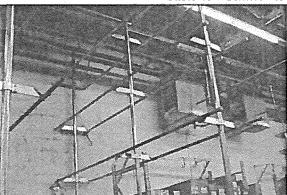


Condition Level: General View Structural Concern Level:

None.

Comments and Recommendations:

Photo 40 - General View of Electrical Panel Area



Condition Level:

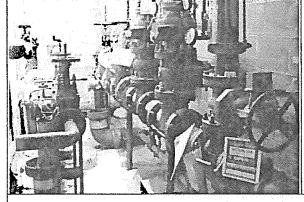
General View

Structural Concern Level:

Comments and Recommendations:

None.

Photo 41 – General View of Rear Storage Area and Natural Gas-Fired Space Heaters



Condition Level:

General View

Structural Concern Level:

Comments and Recommendations:

None.

Photo 42 - General View of Fire and Domestic Water Supply Piping



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Condition Level:

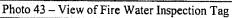
General View

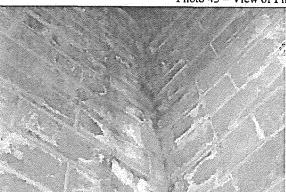
Structural Concern Level:

NA

Comments and Recommendations:

Fire Water Inspection up to date according to inspection tag.





Condition Level:

Good to Fair

Structural Concern Level:

Minor

Comments and Recommendations:

Evidence of prior roof leaks at rear of building inside CMU wall in water supply room.





Condition Level:

Fair

Structural Concern Level:

Minor

Comments and Recommendations:

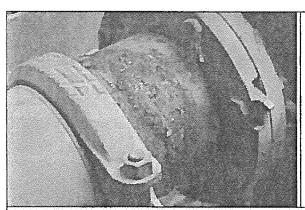
Evidence of prior roof leaks at rear of building inside CMU wall in water supply room with detailed view of rust of horizontal reinforcement in CMU mortar joints due to prior water infiltration in water supply room.

Recommended to clean and prepare surface to prevent further rust from prior moisture infiltration.

Photo 45 - Detail View of Interior CMU Mortar Joints in Water Supply Room



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Condition Level:

Fair to Poor

Structural Concern Level:

Moderate

Comments and Recommendations:

It is recommended to check the incoming fire water pipe thoroughly with an ultrasonic thickness gauge to confirm safety of pipe by a reputable contractor as surface is significantly corroded.

Photo 46 – Detail View of Incoming Fire Water Pipe Deterioration



Condition Level:

Good

Structural Concern Level:

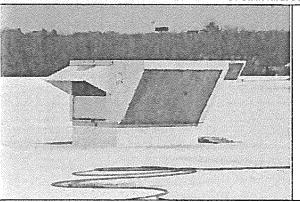
None

Comments and Recommendations:

No obvious defects or deterioration noted in structural steel framework of building in observable areas in rear warehouse area.

No in-depth structural analysis conducted as part of this report on any of the framing within the subject building.

Photo 47 - View of Structural Joists in Rear Warehouse Area



Condition Level:

Fair

Structural Concern Level:

None

Comments and Recommendations:

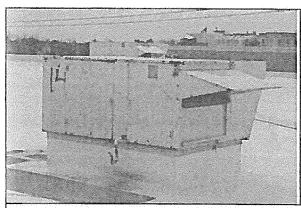
Although rooftop HVAC appeared to be generally in serviceable condition it was noted that the units are 25± years old and may be near the end of their estimated useful life.

16 units observed ranging in size from 3 to 15 tons.

Photo 48 - View of Typical AAON Rooftop Package HVAC Unit



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Condition Level:

Fair

Structural Concern Level:

None

Comments and Recommendations:

Although rooftop HVAC appeared to be generally in serviceable condition it was noted that the units are 25± years old and may be near the end of their estimated useful life.

16 units observed ranging in size from 3 to 15 tons.

Photo 49 - Detail View of Typical AAON Rooftop Package HVAC Unit



Condition Level:

Fair

Structural Concern Level:

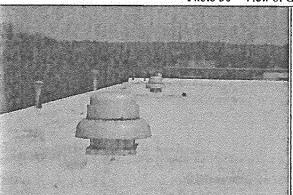
Minor

Comments and Recommendations:

The gutter mounted along the rear of the roof provides drainage. It appears that this gutter was replaced as part of the roof repairs reportedly made in 2011.

It was evident that prior to the gutter replacement, poor drainage existed and caused deterioration to some of the rear CMU at the building.

Photo 50 - View of Gutter at Rear of Roof



Condition Level:

Good to Fair

Structural Concern Level:

Minor

Comments and Recommendations:

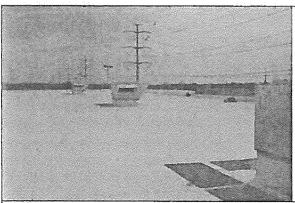
The TPO roof replacement was reportedly made in 2011

It was evident that prior to the gutter replacement, poor drainage existed and damage some of the rear CMU at the building.

Photo 51 - View of TPO Roof and Exhaust Fans



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Condition Level:

Good to Fair

Structural Concern Level:

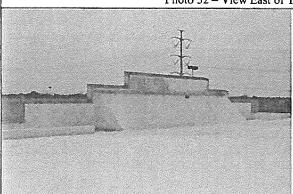
Minor

Comments and Recommendations:

The TPO roof replacement was reportedly made in 2011.

It was evident that prior to the gutter replacement, poor drainage existed and damage some of the rear CMU at the building.

Photo 52 - View East of TPO Roof and HVAC Units



Condition Level:

Good to Fair

Structural Concern Level:

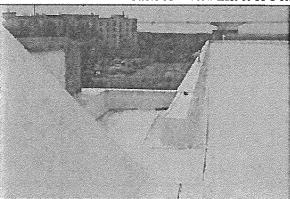
Minor

Comments and Recommendations:

The TPO roof replacement was reportedly made in 2011.

It was evident that prior to the roof replacement, leaks along the front wall behind this parapet damaged the paint along the inside of the CMU wall at the front of the store.

Photo 53 - View East of TPO Roof and Parapet for Main Signage



Condition Level:

Good to Fair

Structural Concern Level:

Minor

Comments and Recommendations:

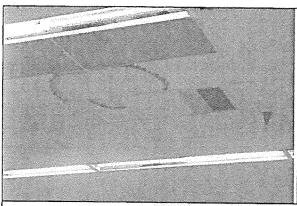
The TPO roof replacement was reportedly made in 2011.

It was evident that prior to the roof replacement, leaks along the front wall behind this parapet damaged the paint along the inside of the CMU wall at the front of the store. Roof repairs appeared to be in good condition.

Photo 54 - Detail View South of TPO Roof and Parapet Waterproofing



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Condition Level:

Fair

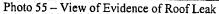
Structural Concern Level:

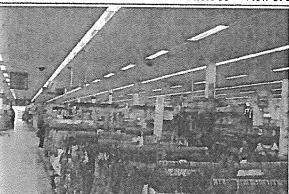
Minor

Comments and Recommendations:

The TPO roof replacement was reportedly made in 2011.

It was evident that one area in the Women's Clothing Department had a roof leak that was reportedly being addressed by management and maintenance staff along with their roofer.





Condition Level:

General View

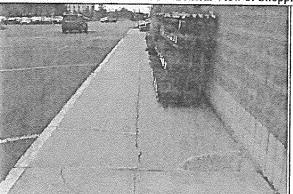
Structural Concern Level:

NA

Comments and Recommendations:

None.

Photo 56 - General View of Shopping Area (Women's Clothing Dept)



Condition Level:

Fair

Structural Concern Level:

Minor

Comments and Recommendations:

A portion of the concrete sidewalk flatwork was noted to be in fair condition with some areas deteriorated and requiring repair.

Photo 57 - View of Damaged Concrete Sidewalk Along Front of Store



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Additional Studies and Other Recommendations:

- 1. It is recommended that a selected group of reputable contractors prepare written bids for the work described in this report for evaluation by the property ownership as related to the following areas:
 - a. Asphalt Repairs (Milling & Overlay, Sealcoating & Striping
 - b. Storm Drain & Sanitary Structure Repairs
 - c. Curbing & Concrete Flatwork Replacement & Repairs
 - d. Painting and miscellaneous repairs of South, West & North CMU façades along sides and rear of building.
 - e. HVAC Rooftop Package Unit replacement
 - f. Addition of Lawn Sprinkler System and Landscape Improvements
- 2. The fire water piping should be evaluated by a qualified technician to determine the safety of the pipe due to thickness.
- 3. No other additional reports recommended at this time.



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5: Limitations, Exceptions, Special Terms and Conditions

5.1 Professional Responsibility

This Report summarizes the independent conclusions representing our professional judgment based on the information and data available to Titan during the course of this assignment in a manner consistent with that level of care and skill ordinarily exercised by comparable professional firms under similar circumstances within the same geographical region at the time the services were performed. No other representations to the Client, expressed or implied, and no warranty or guarantee is included or intended hereunder, or in any report, opinion, document or otherwise. To the fullest extent permitted by law, Client shall hold harmless, defend and indemnify Titan and each of their owners, directors, employees, heirs, successors and assigns from any and all claims, damages, losses, judgments and expenses arising out of improper dissemination or execution of the findings contained within this report.

5.2 Significant Assumptions

Information provided by the Client, owner, public entities, knowledgeable representatives or others noted within this report has been assumed to be correct, complete, and factual unless otherwise contradicted or documented.

5.3 Reliance

The performance of this service comprises both a written document and verbal consultation. This document was prepared for the sole use of the Client, its successors, representatives and assigns, and should not be relied upon by any third party without written consent from Titan. Only signed and sealed hardcopies of reports are considered final.

5.4 Methodology

Observation of the subject property was limited to readily visible and accessible areas only. Observations in regards to any potential environmental hazards, physical probing, testing, measuring, or preparing calculations for any system or component to determine adequacy, capacity, or compliance with any standard is outside the scope of this service.



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6: Qualifications

NICHOLAS C WONG PE PRINCIPAL

The principal and founder of TITAN ENGINEERS PC brings to the organization an extensive level of experience in structural design and familiarity with architectural building systems. He is currently responsible for building design services and all other structural engineering consulting services as well as the evaluation and investigation of existing buildings. He has been responsible for the design and evaluation of real estate valued in excess of eight billion dollars (\$8,000,000,000.00) over his career. Mr. Wong has performed numerous building investigations, structural condition evaluations, and structural engineering design services in multiple states including retail, office, residential, educational, sports complexes, and transportation facilities with construction types varying from high-rise steel and concrete to conventional residential light framing. He directs TITAN with a hands-on approach and personally takes the lead as project manager on many of TITAN's projects

EDUCATION

Rutgers University, New Brunswick, NJ Masters of Science in Structural Engineering Bachelors of Science in Civil Engineering

CERTIFICATIONS AND LICENSES:

Licensed Professional Engineer

State of Connecticut, #24637

State of Delaware, #13937

State of Maine, #12516

State of Maryland, #31151

State of Massachusetts, #46461

State of New Hampshire, #13349

State of New Jersey, #44219

State of New York, #083390

State of Pennsylvania, #71890

State of Rhode Island, #8416

State of Vermont, #74677

State of Virginia, #40812

EXPERT TESTIMONY

Served as expert witness for the purposes of the investigation and study of various structural collapses.

MEMBERSHIP IN PROFESSIONAL ASSOCIATIONS:

American Society of Civil Engineers American Concrete Institute Structural Engineering Institute

New Jersey Office:
A 1331 Stuyvesant Ave Union NJ 07083
T 908 624 0044

New York Office:
A 47 Serene Pl Hauppauge NY 11788
T 631 885 8059



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CHARLES H CLACKETT BRANCH MANAGER | VICE-PRESIDENT

As Vice-President and our New York Branch Manager, Mr. Clackett brings to Titan Engineers PC over twenty-five (25) years of engineering experience with a diverse technical background that focused on engineering project management, financial and operational analytical skills. Currently he focuses on new business development, design of many types of earth retention walls and building evaluations.

He has completed over 300 property condition assessment and construction loan monitoring reports and engineering inspections throughout the country. He has been responsible for preparing numerous civil engineering site plan packages for national retailers including 7-Eleven & Lowe's Home Improvement Stores in addition to various banks such as Wachovia and Bank of America throughout the Long Island and New York metropolitan area while managing the development process associated with all required approvals from various municipal jurisdictions. In this role, his staff prepared over 100 Conceptual Plans for 7-Eleven in the Long Island region. He has experience with structural evaluations of buildings and has designed various styles of mechanically stabilized earth retention walls. In addition, he was the engineering project manager for the development of a new charter school facility on eastern Long Island while preserving historic structures on the site.

In a former role as engineering manager for the New York office of a national engineering consulting firm, Mr. Clackett was responsible to initiate and grow the local office with environmental and engineering due diligence projects throughout the nation. He has conducted property condition assessments and construction monitoring in over thirty states across the country for REITs, CMBS lenders, banks, developers and other forms of lenders, government agencies and investors. Property types inspected range from high-rise towers, office buildings, large shopping centers, hotels, condominium buildings, nursing homes, warehouses, industrial manufacturing facilities, to storage facilities and mobile home parks. Reports have been prepared for many clients including the following: JP Morgan, GE Real Estate Capital, GMAC, Builders Bank, CIBC, Trans America Financial, Goldman Sachs, Fannie Mae, HUD, Prudential, Merrill Lynch, Principal Capital Management, Bank of America, AIMCO, iStar Financial, Care One, Heller Financial, Key Bank, Legg Mason, ING, Bear Steams, Prudential Mortgage Capital Company, North Marq Capital, Washington Mutual, First Union Bank, Deustche Bank Securities among many others.

EDUCATION:

State University of New York at Buffalo Bachelor of Science Degree-Civil Engineering, 1990

CERTIFICATIONS:

EIT - State of New York, 1991

MEMBERSHIP IN PROFESSIONAL ASSOCIATIONS: American Society of Civil Engineers

FF Client:

Midwood Managing Corp.

(20588.114)

Project Address:

2280 North Ocean Avenue

Expressway Plaza

Farmingdale, New York 11738

AFFIDAVIT OF SERVICE

STATE OF NEW YORK)	
)	SS.
COUNTY OF NASSAU)	

I, Theresa M. Spano, being duly sworn, depose and say: I am not a party to the action, am over 18 years of age and reside in Nassau County, New York.

On September 12, 2018, I served the within **Notice of Default and Thirty (30) Day Notice to Cure** by Certified Mail return receipt requested, depositing a true copy thereof enclosed in a post-paid wrapper, in an official depository under the exclusive care and custody of the U.S. Postal Service within New York State, addressed to the following person(s) at the last known address set forth after the name:

KMART CORPORATION

333 Beverly Road

Hoffman Estate, Illinois 60179

Attn: Divisional Vice President - Real Estate Department 824E

Tracking No.: 7015-0640-0007-8184-1031

Theresa M. Spano

Sworn to before me this

12th day of September, 2018

Notary Public

Notary Public, State of New Valls
No. 018W6010722
Qualified in Queens County
Commission Expires July 20, 2022

18-23538-shl Doc 1957-2 Filed 01/25/19 Entered 01/25/19 18:13:09 Exhibit B - Zerykier Declaration Pg 38 of 70

30 day

CERTIFIED MAIL RETURN RECEIPT

TO:	KMART CORPORATION 333 Beverly Road Hoffman Estate, Illinois 60179
***	Attn: Divisional Vice President – Real Estate Department 824E
CLIENT	20588-114
CERT#	7015-0640-0007-8184-1031
	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com® OFFO A Domestic Mail Fee Extra Services & Fees (check box, add fee as apprepriate) Redum Receipt (hardcopy) Redum Receipt
	A. Signature A. Signature A. Signature A. Signature A. Signature Addressee So that we can return the card to you. Attach this card to the back of the mallplece, or on the front if space permits.
1	Article Addressed to: KMART CORPORATION 333 Beverly Road Hoffman Estate, Illinois 60179 Attn: Divisional Vice President — Real Estate Department 824E
2	3. Service Type Priority Mall Express● Registered Mall™ Restricted Delivery Registered Mall™ Restricted Delivery Results Receipt for Rechardise Registered Mall Restricted Delivery Results Receipt for Restricted Delivery
P	\$500) S Form 3811, July 2015 PSN 7530-02-000-9053 — Domestic Return Receipt

18-23538-shl Doc 1957-2 Filed 01/25/19 Entered 01/25/19 18:13:09 Exhibit B - Zerykier Declaration Pg 39 of 70

FF Client:

Midwood Managing Corp.

(20588.114)

Project Address:

2280 North Ocean Avenue

Expressway Plaza

Farmingdale, New York 11738

AFFIDAVIT OF SERVICE

STATE OF NEW YORK) ss.:
COUNTY OF NASSAU)

I, Theresa M. Spano, being duly sworn, depose and say: I am not a party to the action, am over 18 years of age and reside in Nassau County, New York.

On September 12, 2018, I served the within Notice of Default and Thirty (30) Day Notice to Cure by Certified Mail return receipt requested, depositing a true copy thereof enclosed in a post-paid wrapper, in an official depository under the exclusive care and custody of the U.S. Postal Service within New York State, addressed to the following person(s) at the last known address set forth after the name:

KMART CORPORATION

3100 West Big Beaver Road

Troy, Michigan 48084

Tracking No.: 7015-0640-0007-8184-1017

Theresa M. Spano

Sworn to before me this

12th day of September, 2018

Notary Public

Notary Public, State of New York
No. 01SW6010722
Qualified in Queens County
Commission Expires July 20, 2027

~

CERTIFIED MAIL RETURN RECEIPT

TO:	KMART CORPORATION 3100 West Big Beaver Road Troy, Michigan 48084	9/07/2018
CLIENT	20588/114	
CERT#	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com*: OFFICIA Las Certified Mail Fee Extra Services & Fees (check box, add fee as appropriate) Return Receipt fearchcopy Return Receipt fe	
	so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. Article Addressed to: KMART CORPORATION 3100 West Big Beaver Road Troy, Michigan 48084 3. Service Type Adult Signature Priority Mail	AaN™
•	Adult Signature Restricted Delivery Registered Model Restricted Delivery Registered Model Restricted Delivery Restricted Del	Ali Restricted ipt for onfirmation TM onfirmation
Ps	5500) Form 3811 July 2015 PSN 7530-02-000-9053 Domestic Retu	rn Receiot :

EXHIBIT B

NOTICE OF DEFAULT AND FIFTEEN (15) DAY NOTICE TO CURE

September 6, 2018

By Certified Mail Return Receipt Requested

To:

KMART CORPORATION

333 Beverly Road

Hoffman Estate, Illinois 60179

Attn: Divisional Vice President - Real Estate Department 824E

KMART CORPORATION 3100 West Big Beaver Road Troy, Michigan 48084

Premises:

2280 North Ocean Avenue

Expressway Plaza

Farmingville, New York 11738

Tenant of the above-referenced premises:

PLEASE TAKE NOTICE that you are in default under the lease (the "Lease"), executed on or about December 20, 1991 between Kmart Corporation as Tenant ("Tenant") and Farmingville Associates as Landlord, and as assigned to Expressway Plaza I LLC and Farmingville Associates Phase 1, LLC by assignment dated October 20, 2016, ("Landlord"), as amended and extended, by virtue of the following:

Pursuant to Article 30 of the Lease, Tenant assumed the obligation to maintain certain portions of the Common Area (as defined in the Lease).

Because of Tenant's failure to comply with its maintenance obligations under the Lease, by Notice dated November 8, 2017, Landlord exercised its rights under Article 25(F) to perform emergency repair work (the "Emergency Work") at Tenant's cost and expense. A copy of the November 8, 2017 Notice is annexed hereto as Exhibit A.

On or about April 4, 2018, Landlord invoiced Tenant for the costs of performing the Emergency Work. Copies of such invoices are collectively annexed hereto as Exhibit B.

Pursuant to Article 25(F) of the Lease, the sums expended by Landlord shall be deemed additional rent and shall be reimbursed by Tenant upon demand, together with interest at eighteen (18%) per annum.

Notwithstanding the Emergency Work notice, and being invoiced for the Emergency Work, Tenant has failed to pay for same. A copy of the invoice for the Emergency Work is annexed hereto as Exhibit B.

As such, \$215,426.88 plus interest in the amount of \$24,593.65 (as set forth in the attached Exhibit C) for a total of \$240,020.53 as Additional Rent under the Lease is currently due and owing to Landlord.

PLEASE TAKE FURTHER NOTICE that, pursuant to Article 25 of the Lease, unless you cure the defaults noticed within the Notice on or before the expiration of fifteen (15) days from service of this Notice upon you the Landlord will serve you with a notice of election to end the term of the Lease at the expiration of ten (10) days from the date of service of such Notice upon you and upon expiration of such Notice the Landlord will commence summary proceedings to evict you from the premises and obtain a money judgment against you for the value of the premises' rent and fair use and occupancy during any holdover in addition to any additional rent, charges and late fees that may accrue prior to the date of judgment with interest together with the legal fees and costs associated with the prosecution of the action.

Expressway Plaza I, LLC and Farmingville Associates Phase 1, LLC as Tenants in Common

Midwood Management Corp., as agent John Usdan, Chief Executive Officer

Exhibit A

FARMINGVILLE ASSOCIATES PHASE I, LLC and EXPRESSWAY PLAZA I LLC

c/o Midwood Management Corp. 430 Park Avenue, Suite 505 New York, New York 10022

November 8, 2017

VIA Certified Mail - Return Receipt Requested

Kmart Corporation 3333 Beverly Road Hoffman Estates Illin

Hoffman Estates, Illinois 60179

Attn: Divisional Vice President - Real Estate Department 824RE

Re: Lease dated December 20, 1991 (as amended and extended, the "Lease") between Farmingville Associates Phase 1 LLC and Expressway Plaza I LLC, as tenants-in-common, (collectively, "Landlord") and KMART Corporation., (the "Tenant") for space at the premises located at 2280-2350 North Ocean Avenue,

Farmingville, New York (the "Premises")

Ladies and Gentlemen:

Reference is made to the Lease; capitalized terms used, but not otherwise defined in this notice (the "Notice"), shall have the meanings given to such terms in the Lease.

PLEASE TAKE NOTICE that Tenant is in breach of Tenant's obligation to maintain the Common Area parking lot and drive lanes, which obligation Tenant assumed (in accordance with Article 30 of the Lease) by notice to Landlord dated October 10, 2012. The work required to be performed on the drive lanes as a result of said breach (the "Work") is set forth on Exhibit A to this Notice and you can reach out to Landlord's portfolio manager Peter Pollani (516) 732-8977; ppollani@midwoodid.com) if you have any questions regarding the Work or the maintenance required to be performed by Tenant to the rest of the parking lot Common Area.

PLEASE TAKE FURTHER NOTICE that after a recent inspection by the town of Brookhaven, Landlord was informed that due to weather conditions, the Work must be completed by November 21, 2017. As a result of Tenant's failure to perform the required maintenance, Landlord hereby exercises its right pursuant to Section 25(F) of the Lease to perform Tenant's obligations at the cost and expense of Tenant and, given the timing imposed by the Town of Brookhaven, this constitutes an emergency under Section 25(F) which does not permit Tenant the cure period provided by the Lease. Note that the Work only addresses the drive lane issues, which constitute an emergency, and does not include standard parking lot maintenance and repair which remains the responsibility of Tenant and must be performed within thirty (30) days of this notice to avoid an Event of Default under the Lease.

PLEASE BE ADVISED that Landlord has not waived any of its rights or remedies under the Lease or any requirement of Tenant's compliance with any provision of the Lease and expects Tenant to honor all of its obligations thereunder, including, without limitation, the maintenance obligations that are the subject of this Notice. Landlord expressly reserves all of its

rights and remedies, whether pursuant to the Lease, at law or in equity on account of Tenant's failure to comply with the covenants and obligations contained in the Lease.

Very Truly Yours,

FARMINGVILLE ASSOCIATES PHASE 1 LLC and EXPRESSWAY PLAZA I LLC

By: Midwood Management Corp., as agent

Name: John Dadan

Title: Chief Executive Officer

(via Certified Mail – Return Receipt Requested)

Kmart Corporation 3333 Beverly Road

Hoffman Estates, Illinois 60179

Attn: Associate General Counsel, Real Estate Department 824RE

cc: (via E-MAIL ONLY)

cc:

Bradley.Pukas@searshc.com

Real Estate Manager, Sears Holdings Corporation

EXHIBIT A

The Work

Rebrick Drywell:

- 1. REBRICK DRAIN COVER: Five Covers (5)
- 2. Saw cut & remove asphalt around drywell cover and dispose of asphalt.
- 3. Excavate area and remove casting
- 4. Remove and replace bricks as necessary
- 5. Backfill.
- 6. Install RCA base blend and compact

Remove and Replace:

- 1. PATCH: Remove and replace 10200 sf in 14 areas.
- Saw cut asphalt
 Add recycled crushed concrete base blend as needed and compact.
- 4. Patch areas with 2 1/2" of NY State Type 6F asphalt compacted to an average depth of 2".
- 5. Apply hot tar to seams of patches to prevent water infiltration.
- 6. Remove and replace sidewalk in 2 areas approximately 10 sf Curbs
- 7. Remove and replace curbing approximately 26 lf in 2 areas.

Reconstruct Parking Area:

- 1. RECONSTRUCT PARKING AREA: Drive Lane 2 area approximately 54500sf
- 2. Job to include:
- 3. Mill existing pavement and dispose of offsite.
- 4. Add RCA as necessary.
- 5. Regrade base blend and compact.
- 6. Adjust steel manhole covers and drains as necessary to new grade.
- 7. Pave area with:
 - a. 2" of binder asphalt after compaction
 - b. 1 & 1/2" of NY State Top asphalt a fter compaction
- 8. Restripe parking area.

Exhibit B

MIDWOOD MANAGEMENT CORP. 430 PARK AVENUE 2ND FLOOR

NEW YORK, NY 10022 (212) 682-9595

C/O SEARS ROEBUCK & CO K MART # 4871 ATTN: LEASE ADM. 333 BEVERLY ROAD HOFFMAN ESTATES, IL 60179

Tenant Name:

K MART # 4871

Space Number:

16

Invoice Date:

April 4, 2018

2018 MISC INCOME Expense Prior Year Expense w/ % Increase Prior Year Expense w/ % Increase	184,468.75
Total Recoverable Expense for Current Year Less Stop Amount Total Recoverable MISC INCOME Expense	184,468.75 184,468.75
Tenant Share	100.00%
Total Amount Due for 2018 Before Cap Cap for Year	184,468.75
Total Due for Expense Period Occupancy Percentage for Year Total Amount Due	184,468.75 100.00% 184,468.75

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42 Grant Avenue Bay Shore, NY 11706 631 586-7200 631 586-7208

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DATE	INVOICE #-		
11/28/201 <i>T</i>	16703		

-	BILL TO	
The same of the sa	Midwood Management 430 Perk Avenue Suite 505 New York, NY 10922 Attn: Mr. Peter Pollani	*****
And in case of the last of the		,

	JOB NAME	Books agency of the Contract o
	Paving completed 11/27/17	Physical Define
		THE PROPERTY CO.
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		Sephenical photography
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·	Upon Receipt	Dl

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计性认	DESCRIPTION	4.		AMOUNT
Reconstruct Parkin	RECONSTRUCT PARKING AREA: Drive Lane 2 SEE Diagram. Job to include: 1) Mill existing paventest and dispose of off site. 2) Add RCA as necessary. 3) Regrade base blend and compact. 4) Adjust steel manhole covers and drains as necessary grade. 5) Pave area with: 2" of binder asphalt after compaction 1 1/2" of NY State Top asphalt after compact 6) Restripe pasking area: NOTE: Price based on existing asphalt being no same than 2" thick Please sign date and return certificate of capital importance Text - Suifolk County	siary to tion		184,468.75 0.90

Retain this copy for your records.	Total	\$184,468.75
		- PRACE - AND CONTRACT - CONTRACT

Good-Service stid quality work descrives quick payment.



New York State Department of Taxation and Finance New York State and Local Sales and Use Tax

Certificate of Capital Improvement

After this certificate is completed and placed by both the

	It must be kept by the contractor.				
	Read this form completely before making any entries.				
	This certificate may not be used to purchase building materials exempt from tex.				
	Number of customer (point of type) Address interpol and area at a contractor to provide the customer (if any) To be completed by the customer Describe capital improvement to be performed: Address frumper and cupoff Authority number (if any) Sales tex Certificate of Authority number (if any) Describe capital improvement to be performed: Address frumper and cupoff Authority number (if any) Sales tex Certificate of Authority number (if any) Describe capital improvement to be performed:				
	THE TANK THE YEAR				
水	Street add a when a work in the real property identified on this form; and the work described above will result in a capital improvement to the real property within the guidelines of this form; and this contract (mark one) I includes I does not include the sale of any tangible personal property that, when installed, does not become a permanent part of the real property (for example, a free-standing microwave or washing machine).				
	I understand that:				
	 I will be responsible for any sales tax, interest, and penelty due on the contractor's total charge for tangible personal property and for labor till it is determined that this work does not qualify as a capital improvement; and 				
	 I will be required to pay the contractor the appropriate sales tax on tengible personal property (and any associated services) transferred to me pursuant to this contract when the property installed by the contractor does not become a permanent part of the rest property; and 				
	• i will be subject to civil or oriminal penalties (or both) under the Tax Law if I issue a false or fraudulent certificate.				
本	Signature of customer Title Date				
	To be completed by the contractor I, the contractor, certify that I have entered into a contract to perform the work described by the customer named above, and that I accept this form in good faith. (A copy of the written contract, if any, is attached.) I understand that my faiture to collect tax as a result of accepting an improperly completed certificate will make me personally liable for the tax otherwise due, plus penalties and interest. This was a contractor of the con				
	This certificate is not valid unless (entries as completed.				

MIDWOOD MANAGEMENT CORP. 430 PARK AVENUE 2ND FLOOR

NEW YORK, NY 10022 (212) 682-9595

C/O SEARS ROEBUCK & CO K MART # 4871 ATTN: LEASE ADM. 333 BEVERLY ROAD HOFFMAN ESTATES, IL 60179

Tenant Name:

K MART # 4871

Space Number:

Total Amount Due

16

Invoice Date:

April 26, 2018

2017 MISC INCOME Expense Prior Year Expense w/ % Increase Prior Year Expense w/ % Increase	18,411.94
Total Recoverable Expense for Current Year Less Stop Amount	18,411.94
Total Recoverable MISC INCOME Expense	18,411.94
Tenant Share	40.00%
Total Due for Expense Period Occupancy Percentage for Year	7,364.78 <u>100.00%</u>

7,364.78

DuMOR Construction Inc.

INVOICE

42 Grant Avenue Bay Shore, NY 11706 631 586-7200 631 586-7208

DATE	INVOICE#
12/6/2017	16720

BILL TO
Midwood Management
430 Park Avenue
Suite 505
New York, NY 10022
Attn: Mr. Peter Pollani

JOB NAME	erreck var den verstelligtet var det stil de de oorseen om en en verstellige verstellige verstellige de de oorseen de oorseen de verstellige verstelli
Completed 12/6/17	amening a consult polytypen from dele for the concentration of the state of the sta

P.O. NO.	TERMS	REP	
	Upon Receipt	DJ	

***************************************			Upon Receipt	DJ
ITEM	EM DESCRIPTION			AMOUNT
Restripe	RESTRIPE: Front lot and drive lanes 1) Repaint all traffic lines and markings the same a latex traffic paint, which meets all EPA laws reinclude: 3 Speed Bumps 500 LF of double yellow lines 100 LF 2' thick yellow lines at entrance 7 Stop Bars 9 No Parking/Fire Zone stencils 2000 If yellow hash lines 20 Handicap stalls 4 Crosswalks 2 large arrows. Total price for job, not including NYS sales tax Sales Tax - Nassau County			0.00T 16,950.00T 1,461.94
Please return one co	ppy with payment. Thank You!!!	Total	and the state of t	\$18,411.94

Good Service and quality work deserves quick payment,

DuMOR Construction Inc.

INVOICE

42 Grant Avenue Bay Shore, NY 11706 631 586-7200 631 586-7208

DATE	INVOICE#
12/6/2017	16720

BILL TO	
Midwood Management	
430 Park Avenue	
Suite 505	
New York, NY 10022	
Attn: Mr. Peter Pollani	

JOB NAME	
Completed 12/6/17	

		P.O. NO.	TERMS	REP
			Upon Receipt	DJ
ITEM	DESCRIPTION	N		AMOUNT
Rebrick drywell	JOB: Express Plaza 2302 -2390 North Ocean Avenue 910 - 950 Horseblock Road (AKA 2280 North Farmingville, NY REBRICK WATER COVER: 1) Saw cut & remove asphalt around drywell cover 2) Excavate area and remove casting. 3) Remove and replace bricks as necessary. 4) Backfill. Install RCA base blend and compact. 5) Patch area affected with NYS Type 6F asphalt a 6) Hot tar seams of patch to prevent water infiltrati	and dispose of aspha	Michigan discrete suppression	0.00T
PATCH - R & R	6) Hot tar seams of patch to prevent water infiltration. PATCH: Remove and replace approximately 2850 sf in 32 areas. 1) Saw cut asphalt and remove or mill area down. 2) Add recycled crushed concrete base blend as needed and compact. 3) Patch areas with 2 1/2" of NY State Type 6F asphalt compacted to an average depth of 2". 4) Apply hot tar to seams of patches to prevent water infiltration.			0.00Т
Please return one co	py with payment. Thank You!!!			
		Total		

MIDWOOD MANAGEMENT CORP. 430 PARK AVENUE 2ND FLOOR

NEW YORK, NY 10022 (212) 682-9595

C/O SEARS ROEBUCK & CO K MART # 4871 ATTN: LEASE ADM. 333 BEVERLY ROAD HOFFMAN ESTATES, IL 60179

Tenant Name:

K MART # 4871

Space Number:

16

Invoice Date:

April 4, 2018

2018 MISC INCOME Expense Prior Year Expense w/ % Increase Prior Year Expense w/ % Increase	58,983.38
Total Recoverable Expense for Current Year Less Stop Amount	58,983.38
Total Recoverable MISC INCOME Expense	58,983.38
Tenant Share	40.00%
Total Amount Due for 2018 Before Cap Cap for Year	23,593.35
Total Due for Expense Period	23,593.35
Occupancy Percentage for Year Total Amount Due	100.00%
Total Amount Due	23,593.35

DuMOR	. Construction	Inc.
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INVOICE

42 Grant Avenue Bey Shore, NY 11706 631 586-7200 631 586-7208

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	Midwood Management
	430 Perk Avenue
	Suite 505
	New York, NY 10022
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Rebrick drywell PATCH - R & R Walk Curbs Total Reconstruct Parkin	JOB: Express Plaza 2302 -2390 North Ocean Avenus 910 - 990 Horseblock Road (AKA: Fassaisgville, NY REBRICK DRAIN COVER: Five Cover 1) Saw cut & remove asphalt around dr 2) Extevisite such and remove casting. 3) Remove and replace bricks as necessed 4) Backfill. Install RCA beas blend and of PATCH: Remove and replace 10,200 af h 1) Saw cut asphalt and remove or sail as 2) Add recycled crashed cossests base h 3) Patch areas with 2 1/2" of NY State T an average depth of 2". 4) Apply hot tar to seems of patches to p 1) Remove and replace sidewalk in 2 and 2) Remove and replace sidewalk in 2 and 2) Remove and replace curbing approxist total price for taxable portion of job, not reconstruct PARKING AREA: Britander 1) Mill existing pavement and dispose 2) Add RCA as necessary. 3) Regrade base blend and compact. 4) Adjust steel membole covers and drainew grade. 5) Pave area with:	ywell cover and dispose of aspary, compact, 114 areas, se down; lead as needed and compact, type 6F asphalt compacted to revent water infiltration, as approximately 10 af nately 26 if in 2 areas, including NYS sales tax ive Lane 2 area approximately of off site.		54,300.007
Please return one cop	y with payment. Thank You!!!	Total		haari kaasa ka saa k

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42 Grant Avenue Bay Shore, NY 14705 631 586-7200 631 586-7208

DATE	INVOICE #
12/6/2017	16719

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20000	Midwood Menagement
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ì	Saire 505
	New York, NY 10022
	Attn: Mr. Peter Pollani
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ITEM	DESCRIP	TION		MOUNT.
	2" of binder asphalt after compaction 1 1/2" of NY State Top asphalt after con 6) Restripe parking area. NOTE: Price based on existing asphalt beings than 2" flick Dumer Construction Inc will call for a utility in by law. There may be utilities consumed the little company, owned by property ow marked out. If deemed necessary, a prican be hired and the cost passed along to usually about \$500.00 for a smaller job. These may be permits required (depend for a total restripe of lot. Site plan may DuMOR Construction inc and any of o be responsible for any underground who or any other conditions buried under the including, but not limited to sprinklers, wires or traffic light actuator (traffic light actuator (traffic light actuator approper abandoned cesspools, etc.) any under perement damage will be the of property, not the contractor or subco.	nark out as required rowned (not owned by mer) that may not be vete merkout company to our customer, it ing car Towns requirement to be needed as well. our subcontractors will not ring, pipes or utilities and existing pavament, site lighting, electric gate ght loops), ed under pavement due Additional cost to orpair responsibility of the owner responsibility of the owner.		4,683.3
A Marine (170)	copy with payment. Thank Youth!	Total	maniferation de la company	\$58.983.

Good Service and quality work deserves quick payment.

Exhibit C

item) #1	lte	m #2	it	em #3
paid date	1/19/2018	Paid date	4/17/2018	Paid date	12/18/2017
	9/6/2018		9/6/2018	Miller (Miller) (Mill	9/6/2018
	231		143		263
 billed to tenant	\$ 184,469	billed to te	7,364.78	billed to te	\$ 23,593
	18%		18%		18%
	\$ 33,204		\$ 1,326		\$ 4,247
	365		365		365
daily amount	\$ 90.97	daily amou	\$ 3.63	daily amou	\$ 11.64
Interest	\$ 21,014	Interest	\$ 519	Interest	\$ 3,060

FF Client:

Midwood Managing Corp.

(20588.114)

Project Address:

2280 North Ocean Avenue

Expressway Plaza

Farmingdale, New York 11738

AFFIDAVIT OF SERVICE

STATE OF NEW YORK)
) ss.
COUNTY OF NASSAU)

I, Theresa M. Spano, being duly sworn, depose and say: I am not a party to the action, am over 18 years of age and reside in Nassau County, New York.

On September 12, 2018, I served the within **Notice of Default and Fifteen (15) Day Notice to Cure** by Certified Mail return receipt requested, depositing a true copy thereof enclosed in a post-paid wrapper, in an official depository under the exclusive care and custody of the U.S. Postal Service within New York State, addressed to the following person(s) at the last known address set forth after the name:

KMART CORPORATION

333 Beverly Road

Hoffman Estate, Illinois 60179

Attn: Divisional Vice President - Real Estate Department 824E

Tracking No.: 7015-0640-0007-8184-1048

Theresa M. Spano

Sworn to before me this

12th day of September 2018

Notary Public

BILLY SWINDLER
Notary Public, State of New York
No. 018W6010722
Qualified in Queens County
Commission Expires July 20, 2022

15 day

CERTIFIED MAIL RETURN RECEIPT

TO:	KMART CORPORATION 333 Beverly Road Hoffman Estate, Illinois 60179 Attn: Divisional Vice President – Real Estate Departmen	t 824E	09/07/12018
CLIENT	20588-114		
CERT#	7015-0640-0007-8184-1048		
	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Only For delivery information, visit our website at www.usps.com Cartified Mail Fee SEXTR Services & Fees (check box, add fee as appropriate) Return Receipt (electronic) Return Receipt (electronic) Return Receipt (electronic) Adult Signature Required Adult Signature Restricted Delivery \$ Adult Signature Restricted Delivery \$ Postage STOTAL Postage and Fees Sent T KMART CORPORATION Streel 333 Beverly Road Hoffman Estate, Illinois 60179 Aturn Divisional Vice President - Real Estate Department 824E		
Complete Com	DER: COMPLETE THIS SECTION complete items 1, 2, and 3. Int your name and address on the reverse that we can return the card to you. In this card to the back of the mailpiece, on the front if space permits. In the card to the back of the mailpiece, on the front if space permits. In the card to the back of the mailpiece, on the front if space permits. In this card to the back of the mailpiece, on the front if space permits. In the card to the back of the mailpiece, on the front if space permits. In the card to the back of the mailpiece, on the front if space permits. In the card to the back of the mailpiece, on the front if space permits. In the card to the back of the mailpiece, on the front if space permits. In the card to the back of the mailpiece, on the front if space permits. In the card to the back of the mailpiece, on the front if space permits. In the card to the back of the mailpiece, on the front if space permits. In the card to the back of the mailpiece, on the front if space permits. In the card to the back of the mailpiece, on the front if space permits. In the card to the back of the mailpiece, on the front if space permits. In the card to the back of the mailpiece, on the front if space permits. In the card to the back of the mailpiece, on the front if space permits. In the card to the back of the mailpiece, on the front if space permits. In the card to the back of the mailpiece, on the front if space permits. In the card to the back of the mailpiece, on the front if space permits. In the card to the back of the mailpiece, on the front if space permits. In the card to the back of the mailpiece, on the front if space permits. In the card to the back of the mailpiece, on the front if space permits. In the card to the back of the mailpiece, on the front if space permits. In the card to the card to the back of the mailpiece, on the front if space permits. In the card to the card	ON DELIVERY Age Ade C. Date of I From item 17 17 Yes	dressee Delivery
2 Ань 70	9590 9403 0880 5223 0515 44 Le Number (Transfer from service label) 15	☐ Registered Mail F Delivery ☐ Return Receipt fo Merchandise	restricted r nation™ nation y

18-23538-shl Doc 1957-2 Filed 01/25/19 Entered 01/25/19 18:13:09 Exhibit B - Zerykier Declaration Pg 63 of 70

FF Client:

Midwood Managing Corp.

(20588.114)

Project Address:

2280 North Ocean Avenue

Expressway Plaza

Farmingdale, New York 11738

AFFIDAVIT OF SERVICE

STATE OF NEW YORK)
SS.:
COUNTY OF NASSAU)

I, Theresa M. Spano, being duly sworn, depose and say: I am not a party to the action, am over 18 years of age and reside in Nassau County, New York.

On September 12, 2018, I served the within **Notice of Default and Fifteen (15) Day Notice to Cure** by Certified Mail return receipt requested, depositing a true copy thereof enclosed in a post-paid wrapper, in an official depository under the exclusive care and custody of the U.S. Postal Service within New York State, addressed to the following person(s) at the last known address set forth after the name:

KMART CORPORATION

3100 West Big Beaver Road

Troy, Michigan 48084

Tracking No.: 7015-0640-0007-8184-1024

Theresa M. Spano

Sworn to before me this

12th day of September, 2018

Notary Public

Notary Public, State of New York
No. 018W6010722
Qualified in Queens County
Commission Expires July 20, 2022

15 day

CERTIFIED MAIL RETURN RECEIPT

TO:	KMART CORPORATION 3100 West Big Beaver Road Troy, Michigan 48084		9/12/18
CLIENT	20588/114		
CERT #	7015 0640 0007 8184 1024		
	U.S. Postal Service CERTIFIED MAIL® RI Domestic Mail Only For delivery information, visit our wet Certified Mail Fee Stata Services & Fees (theck box, add fee as appropri Return Receipt (electronic) Certified Mail Feeting Services and Particular Delivery Services and Postage Add Signature Required Add Signature Restricted Delivery Services Services and Fees Sent To Street and Apr. 1 Street and Apr. 1 Street and Apr. 1 Troy, Michigan 48084 City, State, 2/P4- PS Form 3800, April 2015 PSN7530-02-000-904-	Isite at www.usps.com® Los US Fra Postgrank Postgran	
	INDER: COMPLETE THIS SECTION Complete items 1, 2, and 3. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature X. Johns Er B. Received by (Printed Name)	Agent ☐ Addressee C. Date of Delivery ☐ 17/18
600 -1 60	Addictor Arthreses to the KMART CORPORATION 3100 West Big Beaver Road Troy, Michigan 48084	D. Is delivery address different from if YES, enter delivery address	nitem 1? ☐ Yes below: ☐ No
2	9590 9403 0880 5223 0516 74 Article Number (Transfer from service lebel)	3. Service Type Adult Signature Adult Signature Restricted Delivery Cartified Mail® Certified Mail Restricted Delivery Collect on Delivery ad Mail	□ Priority Mali Express® □ Registered Mali™ □ Registered Mali Restricted □ Delivery □ Return Receipt for Merchandise □ Signature Confirmation™ □ Signature Confirmation
PS	7015 0640 0007 8184 1024 Form 3811, July 2015 PSN 7530-02-000-9053	ed Mail Restricted Delivery \$500)	Restricted Delivery Domestic Return Receipt

EXHIBIT C

TEN (10) DAY NOTICE OF LEASE TERMINATION

By Certified Mail Return Receipt Requested

To:

KMART CORPORATION

333 Beverly Road

Hoffman Estate, Illinois 60179

Attn: Divisional Vice President - Real Estate Department 824E

KMART CORPORATION 3100 West Big Beaver Road Troy, Michigan 48084

Premises:

2280 North Ocean Avenue

Expressway Plaza

Farmingville, New York 11738

Tenant of the above-referenced Premises:

PLEASE TAKE NOTICE that the undersigned, the landlord of the Premises identified above, hereby elects to terminate the lease (the "Lease"), executed on or about December 20, 1991 between Kmart Corporation as Tenant ("Tenant") and Farmingville Associates as Landlord, and as assigned to Expressway Plaza I LLC and Farmingville Associates Phase 1, LLC by assignment dated October 20, 2016, ("Landlord"), as amended and extended, because you have defaulted in fulfilling covenants of the Lease and, having been previously served with a Fifteen Day Notice to Cure, a copy of which is annexed hereto as Exhibit "A", have nevertheless failed to remedy the defaults alleged in the Fifteen Day Notice to Cure Defaults within the applicable cure period.

PLEASE TAKE FURTHER NOTICE that unless you remove yourself and your possessions from the Premises described above on or before the expiration of ten (10) days of service of this Notice upon you, the Landlord will commence summary proceedings to evict you from the Premises and obtain a money judgment against you for any sums due and owing to the Landlord.

Expressway Plaza I, LLC and Farmingville Associates Phase 1, LLC as Tenants in Common

Midwood Management Corp., as agent John Usdan, Chief Executive Officer 3 ...

18-23538-shl Doc 1957-2 Filed 01/25/19 Entered 01/25/19 18:13:09 Exhibit B - Zerykier Declaration Pg 67 of 70

FF Client:

Midwood Managing Corp.

(20588.114)

Project Address:

2280 North Ocean Avenue

Expressway Plaza

Farmingdale, New York 11738

AFFIDAVIT OF SERVICE

STATE OF NEW YORK) ss.: COUNTY OF NASSAU)

I, Theresa M. Spano, being duly sworn, depose and say: I am not a party to the action, am over 18 years of age and reside in Nassau County, New York.

On October 11, 2018, I served the within **Ten (10) Day Notice of Lease Termination** by Certified Mail return receipt requested, depositing a true copy thereof enclosed in a post-paid wrapper, in an official depository under the exclusive care and custody of the U.S. Postal Service within New York State, addressed to the following person(s) at the last known address set forth after the name:

KMART CORPORATION

3100 West Big Beaver Road

Troy, Michigan 48084

Tracking No.: 70173380000107442348

KMART CORPORATION

333 Beverly Road

Hoffman Estate, Illinois 60179

Attn: Divisional Vice President - Real Estate Department 824E

Tracking No.: 70173380000107442331

Theresa M. Spano

Sworn to before me this 11th day of October, 2018

Notarv Public . __...

NOTARY PUBLIC, State of New York No. 01ED4971404

Oualified in Nassau County
Commission Expires September 4, 20

CERTIFIED MAIL RETURN RECEIPT

TO:	KMART CORPORATION 333 Beverly Road		10/11/18
	Hoffman Estate, Illinois 60179 Attn: Divisional Vice President – Real	Estate Department 824E	
CLIENT	20588/114		
CERT#	70173380000107442331		
		oration TMS Road Ite, IL 60179 all Vice President Estate Dept. 824E	
	SENDER: COMPLETE THIS SECTION ■ Complete items 1; 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits. 1. Article Addressed to: KMART Corporation 333 Beverly Road Hoffman Estate, IL 60179 Attn: Divisional Vice President - Real Estate Dept. 824E ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■ ■	D. Is delivery address different from item If YES, enter delivery address below 3. Service Type Pri Adult Signature Restricted Delivery Re Certified Mail Restricted Delivery Re Collect on Delivery Restricted Delivery Signature Restricted Signature Restricted Signature Restricted Signature Restricted Signature Restricted Signature Res	☐ Agent ☐ Addressee C. Date of Delivery / 17 ☐ Yes
	PS Form 3811, July 2015 PSN 7530-02-000-9053	(over \$500)	ntic Return Receipt

CERTIFIED MAIL RETURN RECEIPT

TO:	KMART CORPORATION 3100 West Big Beaver Road Troy, Michigan 48084	10/11/18
CLIENT	20588/114	
CERT#	70173380000107442348	
	U.S. Postal Service CERTIFIED MAIL® RECEIPT Domestic Mail Conty For delivery information, visit our website at www.usps.com*. OF FICAL OFFICE Postan Recoipt (electron) Start Services & Foos (sheck box, add the as appropriate plants and processes of the service of the ser	



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10/11/2018 Hasler

3100 West Big Beaver Road Troy, MI 48084 KMART Corporation

B(: NIXIE RETURN TO DELIVERABLE UNABLE TO 484 Dm

SENDER SEED

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